

ANNEX A TO
COS 40/73
(Continued)

40. We can see nothing in the past eighteen months which has changed the requirement for the United Kingdom's ultimate guarantee of national security. As was stated in COS 45/72, "Without it, the United Kingdom has no means of its own of deterring nuclear attack or large-scale conventional aggression by a nuclear power, and countering nuclear blackmail. We would view such a situation with the gravest misgivings".

41. The case that the United Kingdom should continue to provide NATO's European contribution to the overall deterrent has been reinforced by political changes, the prospect of MBFR, the CSCE, detente and the internal pressures in the USA for troop reductions. This contingency was foreseen in COS 45/72, which stated, "Conversely the necessity for such a European element becomes stronger as the American nuclear guarantee becomes progressively less credible".

42. Finally the maintenance of Britain's status in Europe is obviously not solely dependent upon the possession of a nuclear deterrent, but it is unquestionable that our position in Europe would be different if the United Kingdom were not a nuclear power. In particular it would be undesirable for France to be the only such power in Europe.

The Need for Improvement

43. Our previous view of the criteria needed for an effective national deterrent implied that improvements to our POLARIS system would be required during the present decade, and this judgement is still valid. Of the changes in circumstances affecting the maintenance of a United Kingdom Independent Strategic Nuclear Deterrent, only that of finance could be argued as in any way influencing adversely a decision on improving POLARIS.

44. If the cost of POLARIS improvements were to be included within the Defence Budget, the additional expenditure would range from £36M in the case of SUPER ANTELOPE to £200M in the case of OPTION M, spread over a ten year period. If current Defence Budget targets up to 1976/77 were adhered to and a reasonable rate of growth of defence expenditure permitted thereafter, the absorption of SUPER ANTELOPE costs would require some reduction in the UK's planned conventional capability. In the case of OPTION M the reduction would be greater, but in neither case would it result in major reappraisal of the defence programme as a whole. Should, however, the current discussions on reductions to the Defence Budget result in large scale cuts in the PESC period and later, a major reappraisal

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(Continued)

of current Defence Policy would be inescapable.

45. Thus the prospect of cuts in the size of the Defence Budget and the possibility thereafter of a downward trend in resource allocation are the only factors that might prejudice the argument for maintaining and improving the UK's independent strategic nuclear deterrent. On every other count, the political requirement, the continuing military necessity to meet it and the criterion for effectiveness, the arguments remain valid; indeed the political requirement has been strengthened.

The Options

46. The technical, operational and logistic advantages (as well as the relative costs) of the two options were fully set out in Annex to S of S minute to the Prime Minister in May (7).

47. SUPER ANTELOPE. Since November 1972 the only change affecting SUPER ANTELOPE has been the possible slippage which could defer the present planned date of continuous deployment from early 1979 to 1980. Assuming its design aims were met in full, it would provide an effective deterrent in the face of the present Soviet ABM system, and would have some reserve in hand should the ABM Treaty be abrogated and the Soviets increase the number of missiles around MOSCOW to more than 100. However SUPER ANTELOPE would have no significant capability against terminal defences, should these be developed eventually. The risk of possible developments in Soviet ABM defences in the next few years affecting the credibility of SUPER ANTELOPE was covered in the attachment to S of S note to the Prime Minister in June (8). An assessment of the validity of the test programme for this option is covered in a separate report (23).

48. OPTION M. OPTION M which on present estimates could be in service in 1981 would also fulfil the requirement but with more reserve in hand, better range and a capability against terminal defences. Greater range could prove important should the Soviets make significant improvements to their underwater detection capability, but the situation has not changed since last November when the statement was made (1), "the Russians do not and will not

Notes:

1. S of S MO 18/1/1 dated 6 November 1972.
7. S of S MO 18/1/1 dated 2 May 1973.
8. S of S MO 18/1/1 dated 8 June 1973.
23. C of N 468/48 dated 12 October 1973.

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for the foreseeable future have the ability to pre-empt the UK deterrent capability by selectively destroying our SSBNs at sea at the time of their choosing".

49. UK POSEIDON. Should the US agree to the release of POSEIDON to the United Kingdom, this would have the same advantages as OPTION M. In addition it is a proven system and would be some £80M cheaper than OPTION M mainly in the PESC years.

CONCLUSIONS

50. Our conclusions are as follows:

a. The views we expressed in 1972 on the need for an effective national nuclear deterrent remain valid and changes since that time have if anything strengthened rather than weakened the arguments we adduced. However, we also maintain our view that this should not be maintained at the cost of damaging cuts to our conventional forces.

b. The criteria we thought necessary for a valid nuclear deterrent implied that improvements would have to be made to the present POLARIS system during the present decade. Nothing has changed to alter this requirement.

c. Short of US agreement to UK POSEIDON, the two main options for improvement open to the UK are SUPER ANTELOPE and OPTION M: in the period 1973-1983 the former would involve additional expenditure of £36M, the latter some £200M. If provision for these sums had to be made within current Defence Budget targets and LTCs, which was not the accepted assumption at the time of our previous review, compensating cuts in our conventional capability would have to be made. In the case of OPTION M these cuts would be severe and a reappraisal of the programme for certain peak years would be necessary. We have consistently argued against a reduction in our conventional capability and the effects would be particularly unfortunate in the present climate of NATO: we therefore recommend strongly that the Secretary of State should continue to maintain the position that he expects appropriate additions to be made to the Defence Budget in the relevant years.

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d. Reductions in the Defence Budget as a consequence of the PESC discussions would inevitably require damaging cuts to be made in the forward programme, and the effects would be exacerbated if provision had also to be made for POLARIS improvements. In the worst case - a combination of having cuts in the total budget with a need to absorb OPTION M costs - a major review of Defence Policy would be inescapable, and the place of a strategic nuclear force in our policy would need to be included in that review.

e. Since so much depends on the outcome of the PESC discussions, we believe no decision on the options for POLARIS improvements should be taken until the current round of PESC discussion has been completed.

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IMPROVED STRATEGIC DETERRENT - FINANCIAL REQUIREMENTS AND BUDGETARY PROVISION

(Cost Figures in £M)

	73/4	74/5	75/6	76/7	77/8	78/9	79/80	80/1	81/2	82/3	83/4	TOTAL to 83/84	TOTAL THROUGH LIFE COST (to 93/94)
TOTAL SYSTEM COSTS ESTIMATE													
1. Super Antelope	73	82	93	94	72	52	44	41	46	49	53	699	1179
2. Option M	59	76	118	126	121	108	73	58	47	40	37	863	1246
WE CURRENT BUDGET PROVISION													
Target Years													
3. For 4 boat A3T force	40	45	53	58									
4. For "front end"	24	25	21	9									
Remaining LTC 73 Years													
5. For 4 boat A3T force					49	43	43	41	46	49	53		
6. For "front end"					22	20	15	5	2	-	-		
7. Total	64	70	74	67	71	63	58	46	48	49	53	663	
Difference													
Super Antelope (1 - 7)	9	12	19	27	1	-11	-14	-5	-2	0	0	36	
Option M (2 - 7)	-5	6	44	59	50	45	15	12	-1	-9	-16	200	

EXCESSES:

SUPER ANTELOPE

OPTION M

From 73/74 to 76 /7

67

104

From 73/74 to 83/4

36

200

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IMPLICATIONS OF ACHIEVING THE VARIOUS LEVELS OF SAVING
(Extract from AUS (P&B) 259/73 dated 16 August 1973)

SAVINGS LEVEL		OPTION	SAVINGS		IMPLICATIONS OF FINDING SAVINGS REQUIRED IN 1977/78	
			1976/77	1977/78	NAVY	ARMY
1		[1]	20	24	a. Reduction in general support of Fleet; affects operational availability. b. Helicopter Equipment - defer/cancel. c. Nuclear Fleet Submarines (SSN) slower planned build up; affects three SSNs.	a. Operational projects; cancel/defer up to 2 years including Combat Engineer Tractor. AIR FORCE a. Cancellation of Short Range Air to Air Missile System (QC 434) may be necessary for 1974/75. If so would provide RAF savings in 1976/77 and 1977/78. Leaves RAF with only inadequate and diminishing stocks of Sidewinder short range air-to-air missiles. Raises major questions for future of UK guided weapons industry. Or b. If QC 434 not cancelled, substitute reductions in: (i) planned manpower levels and conditions of service; (ii) works services; (iii) miscellaneous equipment, communications and administrative services; (iv) Meteorological Office
2		[2]	46	77	a. Reduction in general support of Fleet; affects operational availability. b. Helicopter Equipment - defer/cancel. c. Nuclear Fleet Submarines (SSN) slower planned build up; affects three SSNs. d. Defer Wessex 5 replacement; continued dependence on obsolescent helicopters with reduced front line capability. Serious consequences for Westland Helicopters Ltd in later years ie 1980 when large labour redundancies inevitable. Small Engine Division of Rolls Royce seriously affected. e. Defer new tankers; increased running costs and reduced availability. f. Further delays to planned SSN build up. g. Defer Lynx equipment; affects front line capability.	a. Operational projects; cancel/defer up to 4 years including Combat Engineer Tractor and planned improvements in armour and anti-armour fields. b. Hovercraft programme; withdrawal of Army support. c. Cancel Blowpipe on Spartan; reduce Short's already poor prospects for further development work. d. Cancel provision for development of UK cannon locating radar (Zenda). e. Delete provision for Army (and Air Force) contribution to development of European medium level air defence missile system (MSAM); means abandonment of surface-to-air missile defence against medium level attack in longer term; damaging to prospects of UK guided weapons industry, associated electronics firms, and European collaboration on equipment. f. Defer Mechanised Infantry Combat Vehicle; clash in priority for industrial resources with Future Main Battle Tank.

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SAVINGS		IMPLICATIONS OF FINDING SAVINGS REQUIRED IN 1977/78	
SAVINGS LEVEL	OPTIC	NAVY	ARMY
2	1	a. Reduction in general support of Fleet; affects operational availability. b. Helicopter Equipment - defer/cancel. c. Nuclear Fleet Submarines (SSN) slower planned build up; affects three SSNs. d. Defer Wessex 5 replacement; continued dependence on obsolescent helicopters with reduced front line capability. Serious consequences for Westland Helicopters Ltd in later years ie 1980 when large labour redundancies inevitable. Small Engine Division of Rolls Royce seriously affected. e. Defer new tankers; increased running costs and reduced availability. f. Further delays to planned SSN build up. g. Defer LYNX equipment; affects front line capability. h. Increased gap between in-service dates of new cruisers and disposal of BLAKE/TIGER with delay in main deployment of anti-submarine SEA KING helicopters and updated command and control facilities. Further reduction in operational availability.	a. Cancellation of Short Range Air to Air Missile System (SC 434); leaves RAF with only inadequate and diminishing stocks of Sidewinder short range air-to-air missiles. Raises major questions for future of UK guided weapons industry. b. Cancel LSAM. c. Defer replacements for communications aircraft (including Queen's Flight); reliance on ageing fleet. d. Reduction in (i) planned manpower levels and conditions of service; (ii) works services; (iii) miscellaneous equipment, communications and administrative services (iv) Meteorological Office. e. Defer introducing Harrier/Jaguar replacement until late 1980s. Harrier/Jaguar retained in front-line of offensive support for 15-20 years. Very difficult to keep key design teams effectively and economically employed until the full momentum of development regained. Later start of production causes loading problems, higher overheads and cost increases on other projects.

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SAVINGS		IMPLICATIONS OF FINDING SAVINGS REQUIRED IN 1977/78		ARMY		AIR FORCE	
SAVINGS LEVEL	OPTION	1976/77	1977/78	NAVY			
2	111	92	154	a. Reduction in general support of Fleet; affects operational availability b. Helicopter Equipment - defer/cancel. c. Nuclear Fleet Submarines (SSN) slower planned build up; affects three SSNs. d. Defer Wessex 5 replacement; continued dependence on obsolescent helicopters with reduced front line capability. Serious consequences for Westland Helicopters Ltd in later years ie 1980 when large labour redundancies inevitable. Small Engine Division of Rolls Royce seriously affected. e. Defer new tankers; increased running costs and reduced availability. f. Further delay to planned SSN build up. g. Defer LYNH equipment; affects front line capability. h. Increased gap between in-service dates of new cruisers and disposal of BLAKE/TIGER with delay in main deployment of anti-submarine SEA KING helicopters and outdated command and control facilities. Further reduction in operational availability. j. Cancel two front line major units (Type 42 destroyers). Risk of damage to YAGROW and YCSFPA unless further export orders received. Prospects uncertain, particularly YAGROW. Substantial reduction in associated work for electronics industry. k. Further reductions in support and dockyard capacity; laying up some operational ships; consequent reduction in planned numbers. Service conditions affected by cuts in works programme.	a. Operational projects; cancel/defer up to 4 years including Combat Engineer Tractor and planned improvements in armour and anti-armour fields. b. Hovercraft programme; withdrawal of Army support. c. Cancel Blowpipe on Spartan; reduces Short's already poor prospects for further development work. d. Cancel provision for development of UK cannon locating radar (Zenda). e. Delete provision for Army (and Air Force) contribution to development of European medium level air defence missile system (MSAM); means abandonment of Surface-to-Air missile defence against medium level attack in longer term; damaging to prospects of UK guided weapons industry, associated electronics firms, and European collaboration on equipment. f. Defer Mechanised Infantry Combat Vehicle; clash in priority for industrial resources with future Main Battle Tank. g. Defer Combat Vehicle reconnaissance series; uneconomic production, possible redundancies at ROP Leeds, difficulties in fulfilling obligations to Belgians. h. Cancel development of UK infantry radar undertaken to avoid foreign purchase. j. Cancel provision for further Blowpipe orders, yet more serious effects on Shorts. k. Cancel EACs helicopter anti-tank guided weapon (AGC) system (Hawkswing); British Army only major Army in Europe without helicopter-borne ATGW. LYNH helicopter loses major role. With MSAM and AC 434, exacerbates problems of guided weapons industry. l. Major reduction in Army works programme, seriously delaying improvements in living standards and provision of technical storage facilities.	a. Cancellation of Short Range Air to Air Missile System (AC 434); leaves RAF with only inadequate and diminishing stocks of Sidewinder short range air-to-air missiles. Raises major questions for future of UK guided weapons industry. b. Cancel MSAM. c. Defer replacements for communications aircraft (including Queen's Flight); reliance on ageing fleet. d. Reductions (more severe than under level 2 Option 1) in (i) planned manpower levels and conditions of service; (ii) works services; (iii) miscellaneous equipment, communications and administrative services; (iv) Meteorological Office. e. Defer introducing Harrier/Jaguar replacement until late 1980s. Harrier/Jaguar retained in front-line of offensive support for 15-20 years. Very difficult to keep key design teams effectively and economically employed until the full momentum of development regained. Later start of production causes loading problems, higher overheads and cost increases on other projects. f. Cancel Medium Lift Helicopters (MLH); Logistic support afforded by MLH required by the Army in the field, not provided. g. Phase out Britannia force without replacement by 1976/7; Substantial reduction in air support capability affecting operational training exercises, routine air movement of all 3 Services and UK's ability to respond to civil emergencies. h. Reduction of one squadron in planned MILAG Long Range Maritime Reconnaissance (LHMAR) front line.	

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IMPLICATIONS OF FUNDING SAVINGS REQUIRED IN 1977/79

SAVINGS LEVEL	OPTION	SAVINGS		NAVY	ARMY	AIR FORCE
		1976/77	1977/78			
3	11	111	183	a. Reduction in general support of Fleet; affects operational availability. b. Helicopter Equipment - defer/cancel. c. Nuclear Fleet Submarines (SSN) slower planned build up; affects three SSNs. d. Defer Wessex 5 replacement; continued dependence on obsolescent helicopters with reduced front line capability. Serious consequences for Westland Helicopters Ltd in later years is 1980 when large labour redundancies inevitable. Small Engine Division of Rolls Royce seriously affected. e. Defer new tankers; increased running costs and reduced availability. f. Further delay to planned SSN build up. g. Defer Lynx equipment; affects front line capability. h. Increased gap between in-service dates of new cruisers and disposal of BLAKE/TIGER with delay in main deployment of anti-submarine SEA KING helicopters and updated command and control facilities. Further reduction in operational availability. j. Cancel two front line major units (Type 42 Destroyers). Risk of damage to YAMRON and VOSPER unless further export orders received. Prospects uncertain, particularly YAMRON. Substantial reduction in associated work for electronics industry. k. Further reductions in support and dockyard capacity; laying up some operational ships; consequent reduction in planned numbers. Service conditions affected by cuts in works programme. l. Further severe reductions in operational availability and Dockyard capacity; necessitates laying up of equivalent of 2 Guided Missile Destroyers, 3 Frigates and 3 Patrol Submarines; with further consequent reductions in planned numbers. m. Works programme cuts; further delays in overdue improvements to Service conditions.	a. Operational projects; cancel/defer up to 4 years including Combat Engineer Tractor and planned improvements in armour and anti-armour fields. b. Hovercraft programme; withdrawal of Army support. c. Cancel Blowpipe on Spartan; reduces Short's already poor prospects for further development work. d. Cancel provision for development of UK cannon locating radar (Zenda). e. Delete provision for Army (and Air Force) contribution to development of European medium level air defence missile system (MSAM); means abandonment of Surface-to-Air missile defence against medium level attack in longer term; damaging to prospects of UK guided weapons industry, associated electronics firms, and European collaboration on equipment. f. Defer Mechanised Infantry Combat Vehicle; clash in priority for industrial resources with future Main Battle Tank. g. Defer Combat Vehicle reconnaissance series; uneconomic production, possible redundancies at RDE Leeds, difficulties in fulfilling obligations to Belgians. h. Cancel development of UK Infantry radar undertaken to avoid foreign purchase. j. Cancel provision for further Blowpipe orders, yet more serious effects on Shorts. k. Cancel RAG's helicopter anti-tank guided weapon (ATGW) system (Hawkswing); British Army only major Army in Europe without helicopter-borne ATGW. Lynx helicopter loses major role. With MSAM and QC 434, exacerbates problems of guided weapons industry. l. Major reduction in Army works programme seriously delaying improvements in living standards and provision of technical storage facilities. m. Cancel Army's plans for Anglo-French Lynx helicopter. Whole future of Westlands and Rolls Royce Small Engine Division jeopardised if remaining RN and RAF programmes abandoned as no longer economic. Effectively prevents UK from participating in development of European helicopter industry.	a. Cancellation of Short range Air to Air Missile System (QC 434); leaves RAF with only inadequate and diminishing stocks of Sidewinder short range air-to-air missiles. Raises major questions for future of UK guided weapons industry. b. Cancel MSAM. c. Defer replacements for communications aircraft (including Queen's Flight); reliance on ageing fleet. d. Reductions (more severe than under level 2 Option I) in (i) planned manpower levels and conditions of service; (ii) works services; (iii) miscellaneous equipment, communications and administrative services; (iv) Meteorological Office. e. Defer introducing Harrier/Jaguar replacement until late 1980s. Harrier/Jaguar retains in front-line of offensive support for 15-20 years. Very difficult to keep key design teams effectively and economically employed until the full momentum of development regained. Later start of production causes loading problems, higher overheads and cost increases on other projects. f. Cancel Medium Lift Helicopters (MLH); Logistic support afforded by MLH required by the Army in the field, not provided. g. Phase out Britannia force without replacement by 1976/7; Substantial reduction in RAF airlift capability affecting operational training exercises, routine air movement of all 3 Services and UK's ability to respond to civil emergencies. h. Reduction of one squadron in planned MLHRD Long Range Maritime Reconnaissance (LMR) front line. j. Conversion of 8 Nimrods to the Aircraft Early Warning role instead of buying new aircraft; affects size of LMR force. Equivalent to loss of about 1500 jobs in aircraft and electronics industry, beginning in 1977. k. Cancel Skybolt III and IV; ends use of British satellites for military communications; 3 Services forced to rely on High Frequency Radio instead. Serious blow to GEC representing major diminution in planned communications capacity and facilities.

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SAVINGS LEVEL	OPTION	SAVINGS		NAVY	ARMY	AIR FORCE
		1976/77	1977/78			
3	17	137	236	a. Reduction in general support of Fleet; affects operational availability. b. Helicopter Equipment - defer/cancel. c. Nuclear Fleet Submarines (SSN) slower planned build up; affects three SSNs. d. Defer Vessex 5 replacement; continued dependence on obsolescent helicopters with reduced front line capability. Serious consequences for Westland Helicopters Ltd in later years ie 1980 when large labour redundancies inevitable. Small Engine Division of Rolls Royce seriously affected. e. Defer new tankers; increased running costs and reduced availability. f. Further delay to planned SSN build up. g. Defer Lynx equipment; affects front line capability. h. Increased gap between in-service dates of new cruisers and disposal of BLAKE/TIGER with delay in main deployment of anti-submarine SEA KING helicopters and updated command and control facilities. Further reduction in operational availability. i. Cancel two front line major units (Type 42 Destroyers). Risk of damage to YA: ROW and VOSPER unless further export orders received. Prospects uncertain, particularly YARKOW. Substantial reduction in associated work for electronics industry. k. Further reductions in support and dockyard capacity; laying up some operational ships; consequent reduction in planned numbers. Service conditions affected by cuts in works programme. l. Further severe reductions in operational availability and Dockyard capacity; necessitates laying up of equivalent of 2 Guided Missile Destroyers, 3 Frigates and 3 Patrol Submarines; with further consequent reductions in planned numbers. m. Works programme cuts; further delays in overdue improvements in service conditions.	a. Operational projects; cancel/defer up to 4 years including Combat Engineer Tractor and planned improvements in armour and anti-armour fields. b. Hovercraft programme; withdrawal of Army support. c. Cancel Blowpipe on Spartan; reduces Short's already poor prospects for further development work. d. 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Cancel BACs helicopter anti-tank guided weapon (ATGW) system (Haweswing); British Army only major Army in Europe without helicopter-borne ATGW. Lynx helicopter loses major role. With MSAM and QC 434, exacerbates problems of guided weapons industry. l. Major reduction in Army works programme, seriously delaying improvements in living standards and provision of technical storage facilities. m. Cancel Army's plans for Anglo-French Lynx helicopter. Whole future of Westlands and Rolls Royce Small Engine Division jeopardised if remaining RN and RAF programmes abandoned as no longer economic. Effectively prevents UK from participating in development of European helicopter industry.	a. Cancellation of Short Range Air to Air Missile System (QC 434); leaves RLF with only short range air-to-air missiles. Raises major questions for future of UK guided weapons industry. b. Cancel MSAM. c. Defer replacements for communications aircraft (including Queen's Flight); reliance on ageing fleet. d. Reductions (more severe than under level 2 Option 17) in (i) planned manpower levels and conditions of service; (ii) works services; (iii) miscellaneous equipment, communications and administrative services; (iv) Meteorological Office. e. Defer introducing Harrier/Jaguar replacement until late 1980s. Harrier/Jaguar retained in front-line of offensive support for 15-20 years. Very difficult to keep key design teams effectively and economically employed until the full momentum of development regained. Later start of production causes loading problems, higher overheads and cost increases on other projects. f. Cancel Medium Lift Helicopters (MLH); Logistic support afforded by MLH required by the Army in the field not provided. g. Phase out Britannia force without replacement by 1976/7; substantial reduction in RAF air-lift capability affecting operational training exercises, routine air movement of all 3 Services and UK's ability to respond to civil emergencies. h. Reduction of one squadron in planned KHEMOD Long Range Maritime Reconnaissance (LRMR) front-line. i. Conversion of 8 Nimrods to the Aircraft Early Warning role instead of buying new aircraft; affects size of LRMR force. Equivalent to loss of about 1500 jobs in aircraft and electronics industry, beginning in 1977. k. Cancel Skynet III and IV; ends use of British satellites for military communications. 3 Services forced to reply on High Frequency Radio instead. Serious blow to GEC representing major diminution in planned communications capacity and facilities.

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IMPLICATIONS OF FINDING SAVINGS REQUIRED IN 1977/78

SAVINGS LEVEL	OPTION	SAVINGS		NAVY	ARMY	AIR FORCE
		1976/77	1977/78			
				n. Cancel three further front-line major units (2 Type 42's 1 SSN), effectively halving planned strength of Type 42's reducing planned SSN total and necessitating reappraisal of entire Naval programme. Reduction in ordering of Destroyers/Frigates from 3 per year 1974-77 to 2 per year. Either YAKRON or VCSPER unlikely to be able to continue without substantial export orders of which little sign at present. Electronics industry reduced to 'tick-over' in Type 42 Weapon Field. Rolls Royce critically affected in Gas Turbine Field. Confidence in ship building firms seriously weakened leading to reduced productivity and higher costs. o. Cancel UK lightweight Torpedo; reliance on US for future lightweight torpedoes with inferior capability. Probable UK withdrawal from new air-launched torpedo technology; UK ability to develop and produce submarine launched torpedoes severely prejudiced. End of declared policy to GEC. Dollar expenditure involved.	n. Substantial reduction in Army's order of battle. As an illustration, part of saving would have to be found by disbanding (i) 5 regular infantry battalions; (ii) 4 remaining representative sub units; (iii) 20 TAVR battalions.	i. Defer Wessex replacement; involves continued reliance on wasting Wessex force in tactical role. m. Cancel RAF LYNX. n. Further cuts in administrative training and support fields. o. Cuts in planned front-line capabilities coming from one or more of:- (i) orders for Harriers and Jaguars, (ii) provision for Electronic Counter Measures, (iii) improvement of Phantom in Air Defence role, (iv) improvement of Mimirde in Maritime role. Seriously degrades operational capabilities. Major industrial consequences.

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